

FINANCE CODE

TITLE 3. FINANCIAL INSTITUTIONS AND BUSINESSES

SUBTITLE C. SAVINGS BANKS

CHAPTER 119. MISCELLANEOUS PROVISIONS APPLICABLE TO SAVINGS BANKS

SUBCHAPTER A. GENERAL MISCELLANEOUS PROVISIONS

Sec. 119.001. APPLICABILITY OF CHAPTER 4, BUSINESS & COMMERCE CODE. Chapter 4, Business & Commerce Code, applies to a savings bank with respect to an item paid, collected, settled, negotiated, or otherwise handled by the savings bank for a customer.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 119.002. APPLICABILITY OF SAVINGS AND LOAN LAWS TO SAVINGS BANKS. (a) Except as provided by Subsection (b), a statute of this state or a rule adopted under the statute that applies to or exempts a corporation or other organization incorporated or organized under Subtitle B or an association as defined by Section 61.002 also applies to or exempts a savings bank.

(b) Subsection (a) does not apply to Chapters 11-13, this subtitle, Subtitle A, Subtitle B, or the Penal Code.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 119.003. ACKNOWLEDGMENT OR PROOF TAKEN BY MEMBER, STOCKHOLDER, OR EMPLOYEE OF SAVINGS BANK. A public officer who is qualified to take an acknowledgment or proof of a written instrument and who is a member or employee of, or a shareholder in, a savings bank or federal savings bank is not disqualified because of that relationship to the savings bank or federal savings bank from taking an acknowledgment or proof of a written instrument in which a savings bank or federal savings bank is interested.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 119.004. RENDITION OF CERTAIN PERSONAL PROPERTY FOR AD VALOREM TAXATION. (a) Each domestic savings bank and each federal savings bank shall render for ad valorem taxation all of its

personal property, other than furniture, fixtures, equipment, and automobiles, as a whole at the value remaining after deducting the following from the total value of its entire assets:

- (1) all debts that it owes;
- (2) all tax-free securities that it owns;
- (3) its loss reserves and surplus;
- (4) its deposit liability; and
- (5) the appraised value of its furniture, fixtures, and real property.

(b) The domestic savings bank or federal savings bank shall render the personal property, other than furniture, fixtures, equipment, and automobiles, to the chief appraiser of the appraisal district in the county in which its principal office is located.

(c) Furniture, fixtures, equipment, and automobiles of a domestic savings bank or federal savings bank shall be rendered and valued for ad valorem taxation as provided by the Tax Code.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 119.005. STATE TAXATION OF SAVINGS BANKS. The state shall tax a domestic or federal savings bank doing business in this state in the same manner and to the same extent as a corresponding savings and loan association.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 119.006. INITIATION OF RULEMAKING BY SAVINGS BANKS. The finance commission shall initiate rulemaking proceedings under Chapter 2001, Government Code, if at least 20 percent of the savings banks petition the finance commission in writing requesting the adoption, amendment, or repeal of a rule.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997. Amended by Acts 2001, 77th Leg., ch. 867, Sec. 64, eff. Sept. 1, 2001.

Text of section effective until January 01, 2022

Sec. 119.007. EXEMPTION FROM SECURITIES LAWS. A deposit account, certificate, or other evidence of an interest in the deposit liability of a savings bank or federal savings bank is not considered a security under The Securities Act (Article 581-1 et

seq., Vernon's Texas Civil Statutes). A security of these savings banks, other than an interest in the deposit liability of a savings bank, is not subject to the registration requirements of that Act. A person whose principal occupation is being an officer of a savings bank is exempt from the registration and licensing provisions of that Act with respect to that person's participation in a sale or other transaction involving securities of the savings bank of which the person is an officer.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 491 (H.B. [4171](#)), Sec. 2.13, eff. January 1, 2022.

Text of section effective on January 01, 2022

Sec. 119.007. EXEMPTION FROM SECURITIES LAWS. A deposit account, certificate, or other evidence of an interest in the deposit liability of a savings bank or federal savings bank is not considered a security under The Securities Act (Title 12, Government Code). A security of these savings banks, other than an interest in the deposit liability of a savings bank, is not subject to the registration requirements of that Act. A person whose principal occupation is being an officer of a savings bank is exempt from the registration and licensing provisions of that Act with respect to that person's participation in a sale or other transaction involving securities of the savings bank of which the person is an officer.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 491 (H.B. [4171](#)), Sec. 2.13, eff. January 1, 2022.

Sec. 119.008. LIABILITY OF COMMISSIONER AND OTHER COMMISSION PERSONNEL; DEFENSE BY ATTORNEY GENERAL. (a) The commissioner, a member of the finance commission, a deputy commissioner, an examiner, or any other officer or employee of the Department of Savings and Mortgage Lending is not personally liable for damages arising from the person's official act or omission

unless the act or omission is corrupt or malicious.

(b) The attorney general shall defend an action brought against a person described by Subsection (a) because of the person's official act or omission without regard to whether the person is an officer or employee of the department at the time the action is initiated.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. [3167](#)), Sec. 6.050, eff. September 1, 2007.

SUBCHAPTER B. ACCESS TO AND DISCLOSURE OF CERTAIN INFORMATION

Sec. 119.101. ACCESS TO BOOKS AND RECORDS OF SAVINGS BANK.

(a) The books and records of a savings bank may be examined only by:

(1) the commissioner or the commissioner's representative in accordance with Sections 96.054-96.057;

(2) a person authorized to act for the savings bank;

(3) an agent of a governmental agency that has insured the deposit accounts of the savings bank;

(4) a borrower or deposit account holder of the savings bank, in accordance with Subsection (b); or

(5) for a capital stock savings bank, a stockholder of the capital stock savings bank, in accordance with Subsection (c).

(b) A borrower or deposit account holder of a savings bank is entitled to examine only the books and records of the savings bank that relate to the person's loan or deposit account.

(c) A stockholder of a capital stock savings bank has the same right to examine the relevant books and records of a savings bank as a shareholder of a business corporation under the Texas Business Corporation Act.

(d) A person is entitled to a partial or complete list of the stockholders of a stock savings bank or of the members of a mutual savings bank only if expressly permitted by the board of directors of the savings bank.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 119.102. PRODUCTION AND ADMISSIBILITY OF ITEMS OF SAVINGS BANK IN JUDICIAL PROCEEDING. (a) In a judicial proceeding, the court may order the production of books, records, and files of a savings bank.

(b) The books, records, and files of a savings bank are not admissible as evidence in any proceeding concerning the validity of a tax assessment or the collection of delinquent taxes, penalties, and interest, unless:

(1) a stockholder or deposit account holder is a proper party to the proceeding, in which event a book, file, or record pertaining to the account of the party is admissible; or

(2) the savings bank is a proper party to the proceeding, in which event a book, file, or record material to the proceeding is admissible.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

SUBCHAPTER C. OFFENSES AND PENALTIES

Sec. 119.201. ADMINISTRATIVE PENALTY FOR FAILING TO COMPLY WITH SUBTITLE. (a) The commissioner may require a savings bank that knowingly violates this subtitle or a rule adopted under this subtitle to pay to the Department of Savings and Mortgage Lending an administrative penalty not to exceed \$10,000 for each day that the violation occurs after notice of the violation is given by the commissioner.

(b) On the commissioner's certification that a savings bank has not paid a penalty assessed under this section, the attorney general may file suit to collect the penalty.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Amended by:

Acts 2005, 79th Leg., Ch. 1018 (H.B. [955](#)), Sec. 3.04, eff. September 1, 2005.

Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. [3167](#)), Sec. 6.051, eff. September 1, 2007.

Sec. 119.202. CRIMINAL SLANDER OR LIBEL. (a) A person commits an offense if the person:

(1) knowingly makes, utters, circulates, or transmits to another person a statement that is untrue and derogatory to the financial condition of a savings bank; or

(2) with intent to injure a savings bank counsels, aids, procures, or induces another person to originate, make, utter, transmit, or circulate a statement or rumor that is untrue and derogatory to the financial condition of the savings bank.

(b) An offense under Subsection (a) is a state jail felony. Added by Acts 2013, 83rd Leg., R.S., Ch. 464 (S.B. [1008](#)), Sec. 14, eff. September 1, 2013.